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## Socialist Party Convention Reaffirms Need For Continued Electoral Action

DETROIT—A resolution favoring continuation of straight Socialist electoral activity on as broad a scale as possible was adopted by the 27th national convention of the Socialist Party here last week by a vote of 64 to 42. The resolution proposed by a majority of the old national executive committee which called for limitation of electoral activity was defeated by a vote of 70 to 37.

The convention majority, headed by Darlington Hoopes, Raymond Hofses, Samuel H. Friedman, Jasper McLevy and Robin Myers, and unexpectedly supported by a compromise group headed by Irving Barshop, insisted that participation in national campaigns was necessary for "our political survival as an entity which attracts some measure of journalistic and popular attention, and for the educational opportunity it brings."

The majority, however, cautioned against "a futile running of candidates as a ritual" and decided that "the national convention should decide on presidential campaigns, state bodies in consultation with the national executive com-

mittee on state offices and so down to the lowest offices."

"No local, state or national committee shall be permitted under any circumstances to endorse" or support any candidates running on either the Democratic or Republican tickets or in their primaries, insisted the majority.

The minority, headed by Norman Thomas, Aaron Levenstein, Maynard C. Krueger, Tucker P. Smith and Harry Fleischman, cited past electoral failures of the party and insisted that the party could convert labor to Socialism and capitalize on the recent wholesome interest of labor in politics "only as we are able to work with them."

The minority would run party campaigns "only where circumstances make campaigns specifically and practically advantageous" and called for party members "to function loyally" in A.D.A. CIO's P.A.C., the AFL's Labor League for Political Education, etc., in cases where the Socialists had no candidates.

The minority would have even permitted the

party to use the official primaries of other parties when unusual circumstances required such action and the party committees approved.

Said the minority: "This new electoral orientation will release Socialist energy and funds for a more intensive campaign of organization and education for Socialism" and will make it possible "for us to increase party membership and to spread, in constantly widening circles, the acceptance of Socialist ideas."

### NEW N.E.C.

The national executive committee, which was elected unanimously, contains eight members of the majority group including Darlington Hoopes, who was re-elected national chairman; Seymour Steinsapir and Samuel H. Friedman of New York; Alfred Tong of New Haven; Jerry Raymond, Detroit; Caleb Smith, Wilmington, Ohio; William O. Hart, Badger, Wisc.; and Harvey Taylor, Cedar Lake, Ind.

Irving Barshop, of New York, was also elected

(Continued on Page 3)

## The Resolution On Electoral Activity Adopted By The Socialist Party Convention

Ours is a great responsibility. Believing as we do that capitalism is a negation of democracy, we must strive to build a Socialist organization capable of offering to ever increasing numbers of Americans a real and positive alternative to capitalism and its political manifestations. The program here proposed is an attempt to equip the Socialist Party with the tools required to do that job.

If we have failed as Socialists it is in setting our sights too low, not in setting them too high. Within the past twenty years, most of what was once the immediate program of the Socialist Party has been accepted, in word if not fully in action: social insurance, civil rights, housing, minimum wages, the right of labor to organize.

If all we had to offer in the face of capitalist corruption, of continuing economic distress in the richest country of the world, of the wasting away of our natural resources, of the renewed threat of atomic war was dissent; if all we did was to keep a possibility of change alive, that contribution to society would be great.

But we are not only dissenters. We are Socialists, and as Socialists we must present a positive program which offers a real alternative to capitalist exploitation.

### BREAD AND BUTTER ISSUES

We view the struggle of workers for an advancing standard of living and for security in their daily lives, as part of this program and will continue, as in the past, to aid in that struggle. Our alternative to capitalism must transcend

the basic appeals of 'bread and butter' unionism and of the welfare state. Socialism must be shown to offer an essentially different relation of the worker to his job, not just a higher wage.

While we continue to advocate such immediate necessities as government housing, health care, and advancing wage minimums, these things in themselves cannot eliminate the basic evil of human exploitation, but rather are substitutes for justice and threats to human freedom in a class society.

We, therefore, rededicate ourselves and our Party to the building of a socialized economy by actions on the political and all other fronts, which challenge the class objectives of the parties of capitalism.

There is no half-way house. Either we are Socialists who believe in democracy or we are not. To the best of our ability, we must offer a socialist program to the American people in the electoral as in other arenas.

Our work, in union, cooperative, anti-discrimination, and similar activities, goes on from day to day. We measure its success both by its immediate ends gained and by the socialist meaning we have been able to give to it by the support for Socialism that is its logical conclusion.

### RESTATING GOALS

The pressure of the times calls for a restatement of Socialist Party aims and goals and a reaffirmation of our belief in the establishment of a Socialist economy through democratic political processes.

We therefore adopt the following program as a basis and guide for socialist electoral activity:

1. We must, if possible, run a national campaign in presidential years. This is necessary for our political survival as an entity which attracts some measure of journalistic and popular attention, and for the educational opportunity it brings. The only qualification that we can admit is one of strength and ability.

Whether or not we may alienate certain unionists, liberals, or progressives, cannot be the determining factor. This directive is not meant to encourage a futile running of candidates as a ritual.

Since activity that is rewarded in some localities may be impractical in others, each group affected should make the final decision whether or not, at a given time, it should engage in a specific electoral campaign designed to elect socialists to public office. Thus the National Convention should decide on presidential campaigns, state bodies in consultation with the NEC on state offices and so down to the lowest offices.

2. The National Executive Committee is charged with the duty of launching an intensive educational campaign centered about America's need for a new Party independent of the old parties. Socialists are urged as party units and as individuals, and also acting within labor, cooperatives, and liberal groups, to agitate and campaign for the Socialist Party and for the formation of a new Party based upon a break with both the

(Continued on Page 2)



# Minority Resolution On Electoral Action

Our Socialist Party exists to advance the cause of socialism. We are dedicated to the ideal of the cooperative commonwealth: to a Socialist America in which democracy and social-economic planning are combined to achieve dignity and security for man. Through democratic socialism alone lies the road to the strengthening of political freedoms, the possibility of permanent peace and an increasing level of material well-being.

Such is our ideal. We exist as a party to achieve it.

Our success requires a change in political strategy: A calculated risk to meet difficult problems and dangers inherent in the American situation. This change in strategy involves neither change in purpose nor repudiation of our own past and its substantial achievements.

It is a change necessitated by the following facts:

1. Thanks in part to ever increasing legal difficulties in getting on the ballot, and in part to other historic factors, our party has year by year found itself less and less able to place full tickets or anything

like full tickets in the field. It is a simple fact that only in a few cities and states do Socialists have for themselves or present to others an opportunity to vote the Socialist ticket except in Presidential years, and even then since 1932, we have been unable to place our national ticket on the ballot in some of the most important American states.

We cannot reasonably ask our adherents to refrain from all voting under these circumstances nor can we promise them immediately to put socialist tickets in the field. No party can hold any large number of people when it cannot give them advice and direction about the best practical use of their ballot.

## IMMEDIATE DEMANDS

2. It is no longer true that in America as a whole the differences between the rival parties and their candidates is always and everywhere merely the difference between Tweedledum and Tweedledee. In part that is because in varying degrees, state and local parties and candidates have adopted and pushed forward many of our own social-immediate demands.

In the achievement of a great

many things for which socialists have worked such as public housing, full employment and greater social security, the difference between better and worse is of enormous importance. In foreign policy it may mean the difference between inviting or averting a third world war.

3. With increasing clarity large sections of the American public have recognized this fact even though they have lamentably turned deaf ears to our full socialist message. The only way in which organized labor, the progressive farmers, and liberals will learn the inadequacy of their pragmatic and piecemeal proposals and advance to a socialist philosophy will be through a process of political experience.

If we cannot convince the men and women who are in farm organizations, labor unions, co-operatives and liberal movements of the necessity for democratic socialism we shall never convince the American people as a whole.

## LABOR AND POLITICS

Of particular importance to us is the recent political development of organized labor. Since

the great depression of the thirties the trade unions have grown bolder in their efforts to achieve legislative and political objectives. The development of such agencies as the Labor's League for Political Education (AFL) and the Political Action Committee (CIO) is evidence of a new attitude towards political action. To the extent that it represents a departure from the policy of transient and casual endorsements of individuals and the beginning of permanently established political organization, this is a great and heartening development for which socialists have worked and hoped for fifty years.

But it is not enough for organized labor or liberals or farmers to become merely political. They must become politically socialist. It is our business to convince them of this fact.

We shall convince them, however, only as we are able to work with them—as indeed we have long worked with them on many specific proposals. It has, however, proved impossible to assert the influence that we ought in labor unions and other

(Continued on Page 3)

## Convention Resolution On Point Four Program

Point Four will not and cannot succeed unless it becomes part of an overall international program of universal disarmament, with this program of aid through international cooperation as the constructive alternative to the suicidal arms race and arms economy.

The announcement by President Truman of a "bold new program" of aid to the peoples in the underdeveloped areas of the world brought forth from these peoples expressions of hope and expectancy. Since that announcement was made, the hope felt by these people has materially diminished. The administration has failed to present to Congress and the people either a bold or a new approach. This was inevitable, since, as we Socialists have maintained, there can be no effective program of aid to the underdeveloped areas so long as we are wedded to an atomic and hydrogen bomb program, and an armaments race.

Many conceive of this program as another weapon against expanding communism; we, while recognizing that this is true, do, as Socialists emphasize that the primary obligation is the welfare of the people. We criticize the Point Four Program as now put forth by the administration, as being:

1. Inadequate in financial commitment.

2. Dangerously close to being a "bold, new venture" in a form of government subsidized American imperialism, which can do the peoples of these areas no great good for their political and economic emancipation, and which plays into the hands of Communist propagandists.

We therefore propose that an adequate Point Four Program should be based upon:

1. The formation of an international public authority for the financing of this program, rather than the encouragement of private investment capital exclusively.

2. An appreciation of those positive values present in native cultures, and respect for cultural differences.

3. Constant consultation with, and participation by, democratically elected representatives of the peoples native to each area.

4. Rapid consummation of political and economic freedom for these peoples, is mandatory.

5. The education for, and development of, labor organizations along with the development of agricultural, natural and industrial resources.

6. The program must be integrated through the United Nations.

# The Resolution On Electoral Activity Adopted By The Socialist Party Convention

(Continued from Page 1)

Republican and Democratic Parties, tending towards Socialist ideals and committed to democratic processes.

## NON-SUPPORT

3. No local, state, or national committee shall be permitted under any circumstance to endorse, enter into a coalition with, campaign for, or in any other manner assist in the election of candidates running on either the Democratic or Republican tickets or in their primaries.

4. No individual Party member shall be permitted to endorse or campaign for candidates of any other political party in general elections or in primaries. These provisions shall apply whether or not the Socialist Party has candidates in any particular election.

Electoral or non-electoral activity must be a clear choice between Socialist electoral action or other education for Socialism, and not a blanket permission to scatter our small resources to the four winds.

5. State and local executive committees, and, where and when necessary, the National Executive Committee, shall consult with our members in liberal and labor organizations to establish and implement the understanding that the basic role of Socialists in such organizations is educa-

tional, with main emphasis on the idea of independent political action.

It is equally important that our members in these organizations meet with each other to discuss mutual problems and the ways in which the idea of independent political action may be advanced. Socialists in these organizations may not support any candidates running in any of the capitalist parties. They may, however, remain part of the organizations (e.g. not rupture their tie with the group).

## NON-ELECTORAL ACTION

Socialist activity in the electoral field is only one part of our work. We urge also a party-building program to include:

1. Internal discussion on THE ROAD TO SOCIALISM IN AMERICA is to be initiated to guide future program and activities.

2. Steps must be taken to strengthen the educational and research functions of the Socialist Party. The N.E.C. is instructed to set up a standing committee on research and education which shall regularly issue pamphlets, booklets, study outlines, etcetera, periodically arrange conferences, seminars and tours, supervise research studies, and plan expansion of the CALL Association as an educational instrument.

3. A public affairs committee shall be set up

to work in close concert with the research and education committee, prepare legislative proposals for instruction to federal, state, and local bodies, and to initiate campaigns of importance to the people on a community level, such as housing, health, education, welfare activities, etc.

## CALL CHANGES

4. THE CALL can be made into a much more effective instrument to serve Socialist ends. The material we need seems to fall into four broad categories: (a) Interpretation of important current events; (b) Theoretical articles on relevant Socialist subjects; (c) News of Socialist movements abroad, and (d) News of and suggestions for Party and individual activities.

By and large ineffectual stabs have been made at providing all these types of material, but a departmental CALL along these lines—rigorously edited to provide such material—in a more interesting format—is possible without additional expense.

The need for Socialist principles and objectives becomes greater, not less, as an administration committed to the preservation of class exploitation attempts to bolster a disappearing "free" economy by measures intended to make class inequalities tolerable. The Socialist Party must, therefore, continue to offer its program for security with freedom.



# The Minority Resolution On SP Electoral Action

(Continued from Page 2)

organizations in which we work so long as we are obliged as socialists to refrain from the electoral action which these organizations presently undertake. This resolution is designed to remove that barrier from effective socialist work.

## NO ENDORSEMENTS

By no means does this change in our policy imply any endorsement of the Republican or Democratic parties nor any nomination of Republicans or Democrats on socialist tickets. Our new strategy, moreover, requires more vigorous effort than before to present our own platforms and specific proposals regularly as yardsticks for the use of labor and liberals in measuring the performance of the old parties.

In working up this yardstick for labor, individual socialists should be required to act co-operatively and in a coordinated fashion in situations where today they are left to follow their own devices and in the process are usually lost to the party.

Obviously this program and strategy require special emphasis on socialist education and propaganda. But these cannot be divorced in the minds of citizens of democracy from participation in popular elections. Therefore, the Socialist Party pledges itself to the following program in relation to electoral activity:

1. It will diligently continue its efforts to bring about a new political alignment and the creation of a strong mass party consciously devoted to socialist ideas.

2. It will run its own candidates only where circumstances make campaigns specifically and practically advantageous. Obviously this will continue to be the case in such places as Bridgeport and Norwalk, Conn.; Reading, Pa.; Milwaukee, Wisc. Of the conditions which would make Socialist campaigns under the Socialist Party emblem a definite contribution to socialist progress, the appropriate regional governing bodies must be the judges on the basis of party

policy. This principle of course applies to the presidential election of 1952.

The Socialist Party will not offer its own candidate for the presidency unless improbable and as yet unforeseen developments make it seem wise to the national convention of that year.

## WORKING IN PAC, LLPE

Where the Socialist Party itself runs no candidates it will expect its members to function loyally in organizations like the AFL's LLPE, the CIO's PAC, and ADA.

In thus functioning with Party approval Socialists must take every opportunity in open and friendly fashion to point out the respects in which labor's present political action falls short of socialist standards: That is to say, falls short of labor's possibilities of achieving peace, plenty and freedom.

In unusual circumstances the Socialist Party may see fit to use the official primary apparatus of other parties but only after official approval by the local or state bodies involved and with consent of the National Executive Committee.

**Socialist organizational activities.** This new electoral orientation will release Socialist energy and funds for a more intensive campaign of organization and education for socialism. The intent of this policy is to make it possible for us to increase party membership and to spread, in constantly widening circles, the acceptance of socialist ideas.

## NEW ACTIVITIES

These purposes will not be achieved automatically with the adoption of this policy but can follow only from the re-direction of socialist activities into more fruitful channels. The National Executive Committee is therefore instructed to initiate programs along these general lines:

I—Extend Socialist research on fundamental questions involved in the reorganization of society.

II—Develop new programs for legislative action on economic

problems and investigate the problems of trade union policy and action.

III—Increase the volume and improve the quality of Socialist literature and publications.

IV—Launch a program of leadership training for Socialist Party members to increase their effectiveness as Socialists and as members of other organizations.

V—Initiate action programs and campaigns on immediate issues confronting the American people.

**Machinery to implement this program.** The National Executive Committee and the state and local Party bodies are instructed to set up the following committees to function in the areas indicated.

1—Research Committee — to map out projects for Socialist study and to carry out such studies.

2—Publicity Committee — to publicize Socialist Party activities and keep the party's program before the attention of the people.

3—Educational Committee — to conduct internal educational activities and to train party members for roles of leadership in the party and mass organizations; to set up and direct a Socialist Speakers' Bureau.

4—Committee on Publications — to supervise the preparation of pamphlets, leaflets, etc.; to direct the building up of THE CALL, which becomes, now, of ever increasing importance to the Party.

5—Committee on Activities and Organization — to map out campaigns of action and to supervise Socialist activities in mass organizations. (This committee should work in close contact with all other committees.)

6—Committee on Finances — to raise the funds needed for carrying out party activities.

## PROGRAM TO BE LAUNCHED

**Launching the Program.** The National Executive Committee is instructed to proceed immediately with the task of launching this program. The following mea-

# Fleischman To Resign As National Secretary

## To All Socialist Party Members:

Dear Comrades:

Writing this letter is one of the most painful tasks I have ever had to do.

I have served as national secretary of the Socialist Party for more than eight years. The work has been difficult and often heartbreaking in view of the tremendous job to be done and our wholly inadequate physical and financial resources.

Nevertheless I have greatly enjoyed my work. I have found many compensations in the warm comradeship and fraternity of a host of our members and friends, and in the genuine spirit of sacrifice so many have displayed. And much of our work has borne fruit.

But since the national convention has rejected the views on electoral action which I, along with many other comrades, consider the most effective road at this time toward a socialist society, I have had to resign as national secretary.

First of all, I believe in Party responsibility. The new majority must assume the responsibilities of Party administration. A major responsibility is the national secretaryship.

Secondly, our Party is a democratic organization. I propose to use my efforts in the time ahead to help make the present minority become a majority in the ranks of the Party. I could not do that with good conscience while serving as national secretary.

I appreciate the spirit behind Sam Friedman's motion in the new national executive committee to reject my resignation, but my decision is final and I am glad the NEC has recognized that fact.

I have agreed to remain as national secretary until the next meeting of the national executive committee, August 12-13 in Reading, Pa., both to give the NEC time to pick a successor and for me to train him in the problems of my post.

Of course I intend to continue to be as active as I possibly can in all Party work. I shall remain on the national action committee, and if requested to, shall serve as an associate editor of THE CALL. I shall continue to speak and write for the Party wherever I can, but it will have to be as a rank-and-filer rather than as the Party's chief executive officer.

I want to express my heartfelt thanks to the thousands of good comrades who have helped make my work fruitful and enjoyable in the past. I hope they will cooperate equally with my successor, whoever he may be.

Fraternally yours,

HARRY FLEISCHMAN

asures should be adopted at once:

1—A series of regional summer conferences should be inaugurated for weekends to bring Socialists together for the discussion and development of more effective techniques and for the working out of policy questions.

2—The National Executive Committee should set up an internal organ for policy discussion and for the pooling of ideas

on Socialist organizational measures.

3—The national officers should be instructed to tour the main Socialist centers in the country and party speakers should be regularly routed through the major cities.

4—A membership drive should be launched immediately on the basis of the policy contained in this resolution.

# SP Reaffirms Need For Continued Electoral Action

(Continued from Page 1)

to the N.E.C. and Seymour Kopilow remains as representative of the Young People's Socialist League.

The three minority members of the N.E.C. are Norman Thomas and Aaron Levenstein of New York and Maynard C. Krueger of Chicago.

Alternates to the national executive committee, in the order elected, are Harry Fleischman, Hy Fish, Charles Taibi, Joseph G. Glass, Mark Brown, Martin Diamond, Irving C. Freese, Bill Briggs, Nathan Sadowsky, Emanuel Muravchik, Burt Beck and Hans Peters.

A 1950 Congressional Platform was adopted, as were resolutions on Full Production, Production for Use and Point Four.

## THOMAS STILL SPOKESMAN

A resolution was passed unanimously which emphasized that despite passage of the resolution on electoral policy, Norman Thomas remained "the spokesman for American Socialism." Important as the issue under debate was considered, the convention emphasized that the respect and

affection of Socialists for Thomas had not declined.

Broadcasts originating from the convention included Norman Thomas on "Why Americans Should Be Socialists" over the Mutual Broadcasting System, Maynard Krueger on "Socialism—the Answer to Capitalism" over the American Broadcasting System, Norman Thomas and Harry Fleischman in an interview with W. W. Chaplin over the National Broadcasting System, and Norman Thomas and Darlington Hoopes on "Socialism—The Answer to Communism," over the Columbia Broadcasting System.

Thomas' address in the opening session of the convention emphasized that "Life is not static; socialism cannot be static. We Socialists ought to re-examine our own policies and programs but never can we admit that the question who ought to own what is unimportant. The commanding heights must be socially owned if there is to be effective democratic management, and if the principle of cooperation is to prevail. But no social ownership will automatically solve all the problems we moderns face. For us Socialists it is

the spirit which giveth life—and that spirit of comradeship is our great offer to mankind."

Krueger declared that "the air of American politics is always a bit murky. But lately the fog has been thicker than usual. The more reactionary politicians have learned a new word. The new word is SOCIALISM . . . I don't know why they call our present government the welfare state. Judging by the Federal Budget, I can see good reason to call it the military state, or the veterans' state, or the interest-paying state. But so little of the government revenue is spent on welfare measures that even Governor Dewey, who used the term himself until recently, now says that it must have been a very clumsy Republican indeed who invented the phrase 'the Welfare State.'"

In his keynote address, Thomas characterized the Truman Welfare State as being actually a "warfare state," because the present national boom was dependent to such a large extent on huge military expenditures on the part of the Government.



# Point Four Program Must Be Socialized

By TUCKER P. SMITH

Point Four is a tardy recognition of the fact that the backward peoples are no longer areas to be exploited, but have changed into a real threat to peace, democracy and even Western security. They are explosively on the move, with totalitarianism their destination unless the rest of the world, and especially the United States, takes unusual measures and has unusually good luck in carrying through its program. We say unusual luck because there is little in modern history to indicate we have the moral or intellectual capacity to do the necessary minimum.

## CONDITIONS OF SUCCESS

Unless we are willing to supply enough funds over decades of time it is better not to begin. The Public Affairs Booklets suggest \$520 billions be spent in 50 years, about half of it to come from outside the lands aided—with some \$7 billions per year of outside aid for the opening decade (after a five year program of get ready study and planning).

This sum is supposed to industrialize one quarter of the people of areas with an estimated population of 1.625 billions in 1950 and 2.972 billions in the year 2,000.

Much good can be done with \$7 billions per year, but a few figures will indicate that the estimate may be dangerously low. In 1948 the United States devoted about \$45 billions to capital outlay. Business Week has just estimated that in 1950 American industry will devote \$13-14 billions to plant expansion alone.

Professor Harris, in Public Affairs Booklet 7, reminds us that Canada, from 1900-13 absorbed annually about \$450 millions (in 1950 dollars), for a population of some seven and a third million in 1913. If the backward areas absorbed capital at the same rate, Harris estimates it would take \$75 billions per year. In this connection it is well to recall how strenuously Congress objected to President Truman's initial request for \$35 millions for the initial studies and technical aid.

It is clear that we should be prepared to expect (a) that what appeared to be real sacrifices will be required of Americans to finance the program; (b) that programs must call for a maximum of know how and self-help instead of capital; (c) that we shall probably not be able to duplicate our mechanized system in other lands but must seek to help the natives attain a good life by other patterns; and (d) that much time and patience will be required.

## WHAT IS NEEDED

On the score of time, however, we must realize that two dangerous counter forces operate, each demanding speed: (1) many of these peoples are in no mood to be patient, and the Communists promise them quick and great gains; and (2) unless industrialization and urbanization cut down the birth rate faster than improved agriculture and health increase population, the program may fail. This writer guesses that sums required of us will be so great as to require at least two major changes in our economy: (1) complete abandonment of armament spending; and (2) greatly increased productivity per man hour and in toto, to keep our standard of living from suffering too much.

One of the major difficulties in such a program will be circumventing and eliminating native grafters, politicians and such

medicine men. Witness our recent experience in sending arms to China—only to have them sold by our "friends" to the Communists. The viciousness of exploiters is usually in direct ratio to the weakness of their victims. Most backward areas abroad not only have copied our worst sins but have a rare collection of native vices which our people would not tolerate at home. Fighting graft, like instituting birth control, will require firm leadership and integrity among the imported technicians, backed by stiff compulsions at times.

## NO CASH RETURN

A large share of this foreign aid, at least for the first decade, must be rendered in the best missionary tradition, with no expectation of cash return or even too much native gratitude. The givers are doing penance for

past sins, serve their brothers patiently and devotedly—hoping by this process partially to cleanse their own culture of a fatal overdose of greed and selfishness. While this writer believes that the absence of such a program can have serious economic and fatal political effects at home, thereby presenting us with great losses, he doubts if any positive economic gains will appear to seem to compensate us for the cash outlay.

In other words, our economic and political conditions will deteriorate dangerously if the program fails, but our financial position will not appear to benefit greatly by its early successes.

For these reasons it should be sold as a political and spiritual process rather than as a cash investment. We are going to be good neighbors to these folks for two reasons: (1) virtue car-

ries its own rewards; and (2) sins of past exploitation are coming home to plague us and will, henceforth, cost us rather than reward us. The capitalist definition of "service" will have to be abandoned in favor of the biblical import of that term.

## NO PRIVATE ENTERPRISE

All of which line of reasoning shows that this is no job for capitalistic, private enterprise. No Invisible Hand will weld into a sublime and beneficent harmony the individual projects or schemes of private investors. An unprecedented degree of wisdom, care and selflessness must go into local, regional and world planning to bring anything but chaos out of a program so delicate and critical.

A glance at the Congressional Record or the Washington news shows how much of a revolution may be required to lift this program out of the grab bag atmosphere there.

The use of the Communist coming-out-from-under-the-bed type of motivation, with Congress or the public, is most apt to defeat the program. This program is delayed recognition of what decent men do by na-

ture. It will demand sacrifices and real spiritual regeneration of both giver and receiver of aid.

It is social democracy coming to be—or brotherhood in practice. Men are capable of such quality only when they abandon the travesties on nature involved in a dollar culture. Unless we are genuine in our motives, those we approach will hate us for what we are and for what we pretend to be. We begin this process under a dark cloud of accumulated prejudice, fear and hate on the part of former colonials.

This cannot be a military strategy to save capitalism against communism. In place of a military defense of the status quo it must be a spiritual offense toward a higher, social being.

A persistent effort should be made to include the Stalinized areas in the plan, both as active participants in the United Nations which should be strengthened to administer it, and as receivers of substantial aid. This writer fears that failure to do so may either prevent the plan being adopted or change its nature so grievously as to make it still-born.

Our reasoning runs as follows: (1) the history of Western relations with Russia may suggest but they do not prove that it is impossible to get Russia to go along on substituting world development for armament (we can offer tremendous gains for Russia under such an arrangement, which she can well use); (2) the existence of the cold war keeps Americans from moving toward socially democratic thinking—thereby dooming us to lose the cold war; (3) we can not win a hot war; (4) we cannot finance a cold war and the program; (5) there is no hope of moderation of the Soviet dictatorship in face of war—but real likelihood of change under peace; and (6) economic planning, especially for Europe and Japan, would be greatly simplified by removal of the iron curtain.

## GENUINE PROPOSAL

When we say persistent effort, we mean both a proposal obviously genuine, and constant promotion of it, for years if need be.

What should earnest citizens do about it? Unfortunately this proposal is not like many of the (largely unearned) gains of the New Deal, Fair Deal Era. Old age pensions, aid for unhappy (pressure) groups, etc., can be wrung from an incompetent Congress by a determined President when people "want something to do something about it," but haven't bothered to figure out what.

Neither the President nor the Congress will come up with a workable program unless something new is added to American politics. An informed, aroused and energetic movement of citizens must fight, not only for a program, but for the right program.

Our alternatives are: (1) forget it—with sad consequences; or (2) seek to enlist now an informed movement for Point Four and its companion piece, Universal Disarmament.

# It Will Take More Than Money To Make Point Four Succeed

By NORMAN THOMAS

Now that President Truman's bold new program of economic aid to underdeveloped regions has got away to an exceedingly timorous start by Congressional authorization of \$35 millions, it is worth while to examine what such a program ought to be and what it conceivably might do.

We live in a world where two-thirds of the people are not properly nourished and half the people hover close to the line of starvation. In many very poor areas in Asia the population is increasing "as if by explosion," partly because the introduction of the most elementary public sanitation drastically reduces infant mortality and checks—as recently in Egypt—cholera and other epidemics.

In spite of the doubts of neo-Malthusians, troubled both by the increase of population and the exhaustion of the soil, most experts believe that we know enough to about double the world's food supply. Some of them believe, on the basis of past history, that by a transfer of the excess rural population to industrial work the increase of population can be checked. (I agree with those who say that it will also be necessary to encourage voluntary birth control not well represented in these books.)

All this will cost money, and more than money. There are all sorts of national prejudices and social customs which must be considered. War against hunger must be a cooperative task of the nations which will require intelligent planning and competent and well-trained leaders.

These facts are recognized and the difficulties stated in Willard R. Espy's well written **Bold New Program**. They are more adequately recognized and dealt with in a series of 8 related pamphlets published by The Public Affairs Institute, Washington, D. C., under the title **Bold New Program Series**.

Neither the book nor the series of pamphlets faces a fact which I think vital—namely, that the costs of worldwide war against hunger cannot and will not be met by the U.S. and other nations which every year feel themselves compelled to spend more and more on the arms race. On the other hand—a fact which is partially recognized in the pamphlet series—if the armament race were suddenly to be stopped there would be economic panic in America unless there

were plans for corresponding expenditures in the war against poverty at home and abroad.

Mr. Espy deserves praise for doing so competent a job by himself in so difficult a field. He gives at least verbal recognition to most of the difficult problems we face, but is somewhat superficial in dealing with them.

He is particularly superficial in considering where the money is to come from. Here his mind seems to be bound by the homage Americans now feel it necessary to pay to "free enterprise" and private investment, even at a time when they practice both so imperfectly.

At this point Morris S. Rosenthal does a much more adequate and intelligent job in the eighth pamphlet of the series. His bold conclusion is: "Assuredly a nation and people, as wealthy and as powerful as we are, can and should properly risk a further \$10 billion of our credit in the hope and expectation that a steadily rising standard of living among the hundred millions of people, who are now underfed, ill clothed, badly housed and illiterate, will give them a driving urge for democracy and peace."

## GOOD SERIES

All the 8 pamphlets of the series belong together as if they were a book. Especially important are the first, in which Dewey Anderson and Stephen Raushenbush set forth "A Policy and Program for Success," the second, in which Harold R. Isaacs vividly discusses the economic and psychological state of that two-thirds of the world which must be helped; the fourth in which James Rorty gives vivid pictures of what the few "engineers of world plenty" have accomplished; and the eighth to which I have already alluded.

Both Mr. Espy's book and the pamphlets deserve wide circulation and thoughtful discussion. The world's hope—its only hope—lies in ending the arms race and undertaking a cooperative war against hunger. Better than most of our lawmakers, Senator McMahon seems to have envisaged that fact in recent speeches.

It is profoundly to be hoped that he will present some proposal around which public opinion can be organized. I repeat: the program will require money, but more than money. What that "more" is, the book and the pamphlet series will help us to understand.

THE BOLD NEW PROGRAM SERIES, Public Affairs Institute, Washington, D. C., \$2.50.  
BOLD NEW PROGRAM, by Willard R. Espy, Harper's, \$3.00.



# THE CALL

HARRY FLEISCHMAN, Editor  
Associate Editors

AARON LEVENSTEIN, HERMAN SINGER, NORMAN THOMAS  
Contributing Editors: Lewis Corey, Erich Fromm, Patrick Gorman, Donald Harrington, Harry W. Laidler

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401

## Calling The Shots

### Mr. Lie And Mr. Stalin

"In the middle of May, a thrill of new hope ran around the world. Trygve Lie, Secretary General of the United Nations, had gone on a pilgrimage to the chief world capitals in the interest of peace. Moscow was the fourth capital to be visited, after which Lie promptly arranged to visit the other three (Paris, London and Washington) for a second time. He has not, as this issue of the New Republic goes to press, revealed the contents of his talk with Generalissimo Stalin, yet everyone is asking: Is there a real chance of ending the cold war? And if so, on what terms?"

This is the beginning of a lead editorial in the New Republic for June 5.

Although the New Republic modestly admits that it has no inside pipeline to the Lie-Stalin talks, it is ready to take a chance on telling its readers what might have occurred.

"Stalin said Russia does not want to withdraw from the UN. The walkouts will stop the instant the Chinese Communists are seated. Russia does not want a shooting war. She would be happy to have the cold war end."

The New Republic then goes on to question the possibility that Russia might not want to end the cold war, but this harsh conclusion is dismissed as unworthy. The New Republic decides, "On the whole, the Russians might therefore well believe that their crusade would advance better without the cold war than with it."

Lie wanted to bring back Stalin's assurance that there was a simple way to bring Russia and the satellite countries back into alliance at the UN: Yield to the Russian demand that Communist China be admitted.

While it is likely that a technical case in international law for admitting Chinese Communist delegates can be made, what this has to do with peace in the world is certainly obscure.

Moreover, a much stronger argument can be made for the fact that Russia is not interested in ending the cold war. The Russian economy is on a war footing.

Even before the United States had begun on its expansive war budget of the peace epoch, the Stalin regime had embarked on a heavy armaments program. The Russian stake in a cold war had been established early in the post-war decade, and represents no new development.

And for Russia, as in the case of capitalist countries, armaments is an easy way out for distracting domestic problems. In a session of the UN Economic Commission for Europe, held in Geneva, the French economist, Andre Philip last week pointed out that in Russia and in the satellite countries, surplus populations living under sub-standard conditions and producing at low levels are the equivalent of industrially-unemployed in capitalist countries.

Moreover, the slave labor camps of the Stalin regime, with their waste of human lives and disregard of humane values, are indications of the vast uncertainty of the Soviet economy and point to the residue of dissatisfaction with the Stalin regime.

The cold war is an economic necessity for Stalin, and his blithe recital of food stocked in Moscow shops unhappily does not change the nature of the Soviet war regime.

HERMAN SINGER

## The BLP Takes Stock: Speedup Or Slowdown For Nationalization?

By KENNETH RATHBONE

MANCHESTER—A thorough examination of the position of the British Labor Party is now being made and a new program worked out which will be put before the voters at the next election.

It will probably propose the improvement and development of existing nationalized industries before carrying out any further large scale nationalization measures, and more encouragement will probably be given to co-operation as a form of social ownership. It is also likely to contain proposals for reducing the cost of living.

All these points were discussed by a private conference of leaders of the Labor Movement at Beatrice Webb House, Dorking, Surrey.

No decisions were reached at this conference, but the various views expressed there are being taken into account by the National Executive Committee of the Labor Party, which is now holding meetings to draw up the detailed election manifesto.

The view that another general election would take place in the autumn has been widely held, but now the belief is growing that it will not take place until the spring of 1951, or even later in the year after the end of the Festival of Britain exhibition and celebrations.

During these policy discussions the most controversial topic will be whether to postpone further extensive nationalization measures until the present nationalized industries are on a firmer basis or put forward a bold policy of further nationalizations.

Socialists realize that mistakes have been made in practice but not in principle, and it is fully realized that there are many things in the nationalized industries which are not yet as they should be.

But while Socialists realize that these defects are only temporary features of the difficult transitional periods a large section of the electorate now seems to believe that they are permanent features of the nationalized industries.

### A PAUSE

So a view now widely held is that if Labor is to avoid losing the support of the people by getting too far ahead of them, there should be a pause so that we can concentrate on making these nationalized industries so obviously efficient and satisfactory that even the capitalist press cannot convince people otherwise. Then the electorate will be ready for more nationalization measures.

This, I believe, will prove to be the majority view of the party.

On the other hand, there are those who believe that it is dangerous for a party like the Labor Party to stand still, and who advocate that a bold programme of further nationalization should be put before the electors.

They fear that while a pause in nationalization policy may win votes back from wavering electors who are not convinced Socialists it may damp the enthusiasm, and probably lose the votes or at least the assistance as voluntary workers for the Movement, of those more eager to advance speedily along the road to Socialism.

It is also feared that while such key industries as banking, chemicals, shipbuilding and heavy engineering remain in capitalist hands the Labor Government's work may be jeopardized by capitalist attacks from these important strongholds.

## Changes In Editorial Emphasis And Format Scheduled In The Call

A number of changes in editorial emphasis and in format for the CALL were approved by the Socialist Party convention, which also accepted a CALL committee report calling for the institution of a full-fledged subscription drive, scheduled to begin with the Labor Day issue of the CALL.

The committee suggested that the following editorial emphasis be adopted by THE CALL within the next period:

(1) That the CALL seek to encourage contributions which will deal with the broad questions of socialism as a phase of the new society. These articles will seek to deal with the means by which socialism can meet the needs of a society which is characterized by complexity. Primarily, such questions will be directed toward discovering the necessity of changing the emphasis of socialism so that it coincides with the demands made on workers in the modern world.

(2) That the CALL increase the number of interpretative articles, and make this the primary element in editing the CALL.

(3) That the CALL seek to enlist actively the writers and educators who are members of the Call Association as regular contributors.

### TECHNICAL CHANGES

(1) That the Board of Directors of the Call Association, Inc. be requested to change the name of the publication to the SOCIALIST CALL.

(2) That CALL format be changed to accommodate the type of articles suggested above. This may mean a change either to a three or four column type of newspaper, or, if technically feasible, a sixteen-page publication—half the size of the present CALL.

(3) That the CALL experiment with the possibility of including regular, short, pungent editorials as part of a regular feature on subjects of current interest.

### PROMOTION

THE CALL has one of the highest renewal rates among publications of its type and probably much higher than that of any commercial publication. These renewals, from non-party readers, represent an asset which is sometimes overlooked by Socialist Party members. Moreover, they represent a responsibility and a challenge to party members to make of THE CALL a much more significant part of Socialist activity than it is today. These renewals are evidence of the fact that THE CALL has something of importance to offer to its readers; it is incumbent upon Socialist Party members to see that there is a wider audience to be reached by its message.

The following proposals for a CALL DRIVE were made:

(1) Delegates at this convention should recognize the fact that selling CALL subs is a primary socialist job. A modest goal which would enable at least a segment of the membership of the Socialist Party to get started would be a pledge to secure five subscriptions in the next month from each delegate and alternate at this convention.

(2) These contacts can be made CALL conscious by using the privilege of sending gift subs to the amount of money contributed to the May Day CALL.

### SUBSCRIPTION DRIVE

(3) A full-fledged subscription drive should be launched with the Labor Day issue (to run until Christmas).

(a) A real effort should be made to get greetings for the Labor Day issue to make it a really impressive edition. The fact that gift subscriptions can be sent on the basis of contributions for greetings should be emphasized.

(b) In conjunction with the drive and built around the theme of the CALL's 15th Anniversary Year, a series of dinners or conferences (with an incidental but important aim being to build Call Association membership) should be arranged in those centers where it is possible.

(c) In connection with the previous point, the dates of such affairs should be arranged with the various delegations present here.



# Socialist Congressional Platform For 1950 Adopted By The 27th National Convention

Nothing could be clearer in this year of 1950 than that the strife, poverty, hypocrisy and confusion of our times demand a Socialist solution—and that neither the Republican Party nor the Democratic Party, or any party supporting their candidates, can offer such a solution.

Consider the facts:

The 81st Congress took office with a Democratic majority in both Houses. By the nature of the Democratic Platform and President Truman's successful campaign, it was solemnly bound by a popular mandate to a concrete legislative program. Yet by the time the primary contests for nominations for the 82nd Congress had begun, the 81st had passed none of the major legislation to which it was committed, except the very modest Minimum Wage Act which had Republican support.

For this alarming failure—this breakdown of our democracy—there were many causes, of which the Republican-Southern Democratic coalition is only the most obvious. The fact is that so-called free enterprise cannot provide plenty, peace, and freedom for the common people.

The liberals who promise—as they have promised—to get these things through the old parties are false prophets doomed to failure, for they support an economic system and political machines that prevent performance of their promises.

Meanwhile, as the cold war grows hotter our bondage to the arms economy increases. Today, one-third of every dollar of the federal budget goes to preparing for the Third World War, the war of A, H, and X bombs and disease germs.

Continuing the arms race can lead only to war or bankruptcy or both. Yet for the present it serves to stall off economic depression and to contribute to the enormous profits of great corporations. But this is a temporary prosperity attended by growing unemployment and a dangerous increase in the national debt.

## SOCIALIST APPROACH

This situation highlights the necessity for a democratic Socialist approach to the goal of plenty, peace, and freedom.

Democratic Socialism, and only Democratic Socialism, offers to the American people the basic principles for the progressive achievement of a world-wide fellowship of free men in which alone is the ultimate guarantee of peace and plenty.

(1) Socialism calls for social ownership and cooperation in place of the insincere philosophy of free enterprise, which means monopoly and its made and wasteful pursuit of private profits.

In place of absolute nationalism, it urges a steady approach to One World under a federated government by the increase of cooperation, economic and political between the peoples of the world through the United Nations.

(2) Socialism, in the spirit of cooperation, calls for an economy planned for the benefit of the people, a rounding out of welfare legislation, and an increase in productivity. This requires a broad extension of social ownership under Democratic control. It is our answer to the present chaotic intervention of government in behalf of special interests. Only by Democratic Socialism can there be security and freedom. Only so can unemployment and poverty be conquered.

America today needs the creation on the electoral field of a mass party consciously dedicated to the democratic socialist goal. This is our answer to the irresponsible party government

under which we live and the insane economic system which it supports.

We pledge our candidates to the following program for peace, for plenty, and for freedom and democracy. This program we shall untiringly urge not only on the 82nd Congress but on the legislatures of our States.

## I. FOR PLENTY

The long coal strike and the present state of the coal industry underscore the merit of our demand for the socialization of coal and other national resources. Under private ownership the wastes are enormous and both men and mineral wealth are outrageously exploited.

This idea of social ownership and control must be extended to banks which by creating credit actually create money. It must also be extended to monopolies and semi-monopolies; that is, to the public utilities and to the steel industry which by its arbitrary increases of the price of a basic necessity has exercised a power which only a democratic government should have.

In addition, industries must be socialized whenever and wherever private operation does not serve the public interest. They must be democratically administered and operated to furnish all needed public service regardless of whether they show what is known as "a profit."

A variety of forms of public enterprise, so set up as to be free from political influence, and with direct representation of employees, technicians, and consumers, would be encouraged.

These will include public authorities like TVA, Regional and Municipal Ownership and Operation, and governmental bureaus. It must be emphasized that socialist public industry would not be run politically and undemocratically like the U.S. post office.

Such public authorities would be set up, for example, in the great river valleys of America in order to end conflict between government agencies and waste and robbery by private interests.

Family farm ownership and operation must be protected on the basis of occupancy and use. Absentee ownership should be prevented in town and country by the progressive application of the principle that society should take by taxation the rental value of the land (aside from improvements) which value society creates.

Clearly, the providing of food for the hungry of the world cannot be left to the gamble of the market economy. We believe, however, that—given the present system of society—a properly administered plan of subsidies to maintain farm income at a fair level will be better and cheaper than the present so-called parity system, under which half a billion dollars of public money was spent to produce potatoes destined to be destroyed. Such farm subsidies should be directly related to the proper conservation of the soil and to the feeding of a hungry world.

Socialists were the first to call for—as they still demand—a broad program of social security, including adequate unemployment compensation, genuine, old-age pensions, and a comprehensive health insurance plan, all extended to cover the classes of workers now excluded from even the minimum benefits so far established.

## II. FOR PEACE

Our immediate and central task is to end the arms race, which can lead only to destruction, and to transfer the conflict against dictatorship, whether communist or fascist, out of the realm of war to that of ideas and economic organization.

To this end we insistently urge the President

and Congress to make a bold appeal to all governments and peoples for the effective disarmament of all nations down to a police level under the supervision and control of a strengthened United Nations.

Simply making the appeal, granting that at first it may be rejected by the men in the Kremlin, will recapture an initiative for peace which the United States is losing with dangerous rapidity.

This appeal for universal disarmament should be accompanied by a pledge that the United States, in cooperation with other nations, under the general control of an improved United Nations, will invest a large part of the billions saved in arms for the improvement of industry and agriculture throughout the world. We cannot afford not to make this investment in peace and plenty. Even to maintain American employment at its present too low level will require a planned program of war against hunger and poverty at home and abroad, lest the end of the arms program bring on a panic in America.

This broad program of cooperative war on hunger and poverty is a necessary successor to the Marshall Plan. It must be so carried out that it will bring more direct help to masses of peasants and workers than did the Marshall Plan in Europe, where economic recovery was not followed by a sufficient rise in their standard of living.

## III. FOR FREEDOM AND DEMOCRACY

We denounce the effort to tie freedom to capitalism as contrary to history and logic. Freedom is inseparably bound up with peace and plenty and with the ending of the robbery of the many by the few.

We denounce the failure of both old parties to live up even to their own weak platform promises concerning civil rights, and we pledge ourselves to active support of Fair Employment, anti-lynching, anti-discrimination and anti-segregation legislation in states and in the nation.

In the interest of freedom, democracy and fair play we renew our demand for a constitutional amendment for the direct election of the President of the United States, with uniform, just and reasonable qualifications for voters throughout the nation.

We denounce the Lodge-Gossett constitutional amendment which passed the Senate, not only as an improper substitute for direct election, but as a blow to civil rights by reason of its deliberate failure to abolish race discrimination in voting.

We recognize that the conspiratorial tactics of the Communist Party are a menace to democracy, but so, too, are the tactics of many of those who in the name of fighting Communism would destroy our democratic liberties.

We renew our complete opposition to such measures as the Mundt-Ferguson-Nixon Bill, to special loyalty oaths exacted from teachers and others, and to hysterical and politically-motivated attacks on individuals by enemies of all progress cloaked in Congressional immunity.

The most effective way to fight Communism is to end the profit system, to abolish poverty, to banish fear of war, and to keep and extend our democratic freedoms. No capitalist party can or will do these things. Only Socialism can do it, and in this campaign, as in previous campaigns, we pledge ourselves to unceasing battle for a Socialist society.



# The Necessity For A Full Production Bill

(Resolution adopted by the Socialist Party convention)

While the American economy is still near the high point of employing some sixty million workers, unmistakable signs of large scale unemployment darken the present picture. 3,500,000 to 5,000,000 workers are unemployed.

Many localities have been particularly hard hit. Many industries have suffered severe declines, and may be headed for permanent difficulties. The relief applicant load is rising at unprecedented rates. State unemployment insurance funds are threatened and may have to be bailed out by the federal government.

The fear of unemployment again stalks the land. The question, ARE WE HEADED FOR A MAJOR DEPRESSION?, is on the lips of workers everywhere. In the present

situation, three groups of workers have been particularly disadvantaged in the contracting job market: the young workers, who are entering the job market for the first time, the middle-aged and older workers who lose their jobs as a result of layoffs and find that employers want younger men because of pension arrangements and because of a mistaken notion that younger workers are more productive.

## DEPRESSION HERE

In a very real sense, the next depression is here now even though in 1950, we may well produce the largest peacetime national income in our history. Economic strains and maladjustments have set in which tend to produce a depression in our private-profit, capitalist economy, even in this period of high profits and brisk business activity.

The labor force is growing at a greater rate than the ability of the economy to absorb workers. Each year, over a million new workers enter the labor force. It becomes increasingly difficult to absorb new workers as the economy fails to expand and as the rate of productivity per worker goes up.

Private capitalism cannot expand at the rate made necessary by an increasing labor force, nor will it supply all the goods and services America and the world needs for a rising and improved standard of living. Only planned production for use—not for profit—can provide full employment and an ever-increasing living standard.

But short of a full program of socialization and planning of production, the Socialist Party urges the adoption of its FULL PRODUCTION BILL as a means of staving off economic stagnation for the United States—and for

the many nations dependent upon us.

Economic life is so integrated that this creeping depression here will bring about even more serious economic disturbances throughout the western world. Briefly this bill provides for the injection of capital into the economy to stimulate production and employment through the use of socially-owned corporations and cooperatives.

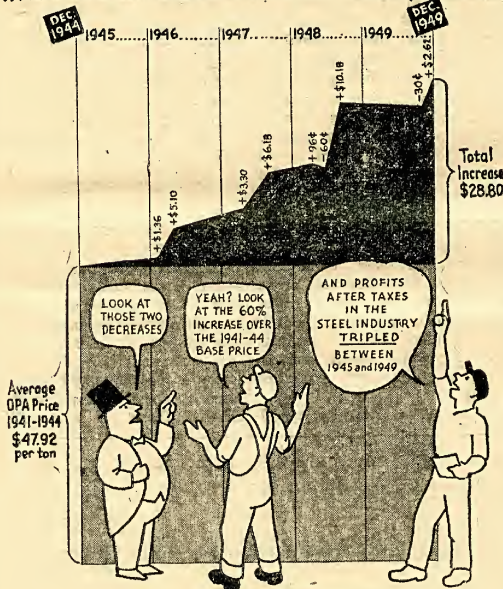
## FINANCE AUTHORITY

The Full Production Bill not only recognizes that the provi-

sion of jobs is a social responsibility and a concern of government, and requires an annual job budget or estimate of the probable number of persons who will want work and the probable number of available jobs, but provides for a Full Production Finance Authority which would report to Congress and the people on the job outlook, make constructive recommendations for legislation, and itself do something about putting men to work.

On the basis of reports from its research agency it would des-

## Increase in "Base" Price of Steel per net ton



(Courtesy-Montgomery for the Economic Outlook)

## SP Convention Reaffirms Faith In Norman Thomas As Socialist Spokesman

The questions discussed at convention sessions devoted to electoral activity involved an analysis of our role as a party in winning the American people to socialism. This discussion was part and parcel of our tradition of full and free democratic participation of the membership to arrive at party decisions. This was but one issue before us.

No repudiation of Norman Thomas' leadership was involved, nor, on the other hand, was the disbanding of the Party contemplated by supporters of the view on electoral policy which did not prevail.

We affirm our faith in the democratic process of party discussion to reach decisions openly and freely. In this process we may reject ideas but we do not reject our faith in the capacity of comrades for leadership.

We reaffirm our faith in Norman Thomas as the spokesman for American Socialism.

ignate areas of investment, industries and regions where men can be put to work by establishing or expanding non-profit enterprises of all sorts.

These non-profit, public corporations and cooperatives would be permitted to borrow money from the Authority at a low rate of interest. In this way the investment needed to maintain full production and full employment would be provided even though profit seekers, fearing that their swollen returns to which they are accustomed would not be obtained, refused to invest.

These democratically operated, non-profit organizations whose nature is carefully described in the Bill may become members of the Authority. The member corporations will elect six directors and the President of the United States three, to constitute a board of nine.

## MINIMUM WAGES

The Bill provides in necessary detail for the proper management of the Authority and for the protection of loans to member corporations against bad management. It guarantees the rights of collective bargaining, freedom from racial and other

discrimination in employment and a proper level of minimum wages in the corporations.

Reports of the Authority would be referred to the Joint Committee of the Senate and the House on the Economic Report. The Authority would recommend to the Committee and to the country a proposed division of the national income between immediate consumption goods and investment in plants, machinery and other capital goods.

Where capital enterprises do not make the necessary investment the Authority through its members and on the basis of its research would make the investment for the production of goods and services that the American people want and need.

This whole process would not require an elaborate price-setting machinery and would eliminate many of the bureaucratic controls that war objectives made necessary.

The Full Production Authority Bill would destroy no private enterprises that can meet the competition of growing cooperative and non-profit public corporations. It would bring about full production and also more equitable distribution to the people of America.

# Production For Use As An Applied Formula

(Resolution adopted by the Socialist Party Convention)

Production for use rather than for profit (or for wages) should become a more central concept, both for socialist study groups and for the message which socialists want to bring to non-socialists. While the formula is not new in socialist circles, it is frequently pushed aside for consideration of what appear to be more pressing matters. This convention urges all socialists to devote more attention to studying the implications and applications of the principles of production for use, and to promoting wider understanding of the same.

Many factors combine to make such study imperative:

(1) There is and will continue

to be for some time a world-wide shortage of goods and services basic to human progress. Increasing demands for socially-financed social security, expenses of the cold war, the needs for aid to under-developed lands, and even a precarious American standard of living require greater productivity per man hour and in toto than Western man has yet achieved.

## MANAGEMENT PLAN

(2) The prevalence of "hold the volume down and keep the price up" policies in both management and labor thinking blinds many to the real function of production.

The last depression gave workers a burning fear of working themselves out of a job, which frequently centers all attention on the existence of a job, in

lieu of a healthy realization of the nature and function of productive effort.

In like manner, management increasingly turns to cartel policies in a shortsighted effort to meet the problems of poor distribution.

(3) The complete failure of the "free enterprise," automatic, competitive pricing mechanism to keep costs or prices down and volume up, throws this problem into the area of deliberate and careful planning.

(4) Modern psychological and sociological studies of men on the job are revealing the shortcomings of profits and wages as the only incentives of or motivation for production and are forcing personnel planners to explore the human values in the productive process, in PRODUC-

TION AS A WAY OF LIFE.

Some engineers are convinced that the mass-production technique has been pushed into many situations where it is not even efficient production—thus reopening the entire question of production techniques, monotony, creativeness, social values, etc. for reconsideration.

(5) Socialist and Labor Governments in power or movements exercising great influence throughout the democratic world find this area to present their greatest unsolved problems.

## DECLINE OF OWNERS

(6) The decline of the role of owners and the rise of management in business make managerial policies the chief concern of socially-minded students everywhere.

Managerial policies must be the backbone of any socialist program. Neither socialist nor capitalist thinkers have really digested this fact nor incorporated it adequately into their thinking.

Past experience and theory can supply neither capitalists nor socialists with effective managerial policies. New analysis must devise new policies.

Careful attention to this area by socialist theoreticians and students will help clear up many blind spots in the contemporary programs of farmer, labor and other groups interested in social progress.

PRODUCTION FOR USE is the formula, the concept under which such exploratory work may best be done.



## Aspects Of The American Economy

# Capitalism's Boom Rides To A Major Crisis

By SIDNEY PORTER

Perhaps ironically, convention time for American socialism found the American economy at least momentarily enjoying the best of economic health.

Yet at almost the same time, warnings of the profound problems and tendencies towards crisis lurking beneath the current surface prosperity were sounded by economic observers in labor, government, and business itself.

It was almost as if these warnings were meant to confirm the Socialist analysis—the developing capitalist crisis—at a time when socialism stands on the threshold of its greatest conquests on the consciousness of American labor.

## JOBLESS FIGURES

Perhaps the unemployment situation is the best single index to this anomaly. This past winter the total of jobless rose to a postwar high of 4.7 million in February. It fell to 3.5 million in April. The May figure may be down to three million, and the actual total right now is likely down to less than three million.

Two factors have reduced unemployment by almost two million in a few months. One is the seasonal upswing in agriculture, construction, lumbering, and other outdoor work.

Second, is the surge of the business boom over the past few months. Seasonally, the jobless total will go up again during the summer when youngsters vacation from school and temporarily join the ranks of the job seekers—and seasonally, the number of idle should drop off again in the fall when they return to school.

So for the next few months—so long as business stays as good as it is—unemployment will

go up and down but will pose no problem of crisis.

For the longer-term, however, unemployment remains just as worrisome as before. Late last month the Federal Reserve Board placed a semi-official statistical seal on facts which already have become fairly widely known: That new machinery has increased the man-hour efficiency of labor rapidly in the last couple of years, displacing many hundreds of thousands of jobs annually—and that nationally, the labor force has been growing rapidly, by perhaps one million job seekers a year. These trends operate to increase unemployment over the long term.

Philip Murray, at the same time, took cognizance of this long-range danger when he told the American Clothing Workers convention that unless the present trend was checked unemployment would rise to as many as 11 million by 1956. "Five million is menacing. Six million is dangerous. Seven million is depression. Eleven million is riots and bloodshed."

Murray's forecast, predicated on added unemployment of a million or so a year arising from increased productivity and more job seekers, assumes that the peak business levels of 1948 and 1950 will be maintained.

Unemployment can be held down only if business and production volume continually expand. Unemployment will shoot up much faster if business activity lets down.

## BANKER WORRIED

And last month, too, banker-economist Murray Shields, for one, told California bankers that the nation may now be in the last phase of the early postwar

boom "with the risk that a simultaneous setback would initiate a decline in business substantially more serious than was experienced in 1949. Until the basis on which our prosperity rests is strengthened we are entitled to be apprehensive as to the outlook."

Then he came east and was joined by four top economists at the American Management Association conference in predicting a business downturn in 1951. They traced the present boom to temporary factors and regarded a recession next year as "inevitable." The only question among them was how much deeper the 1951 recession would go than it had in 1949.

In plain words, this means that business' own observers cannot quite see how long the nation can absorb production of autos and trucks at the current rate of nine million a year, construction of homes at the rate of 1½ million a year, and business investment in new plant and equipment at the present pace of nearly \$20 billion annually.

## NEW CONFIDENCE

There is no question but that business in 1950 is turning out much better than originally expected, particularly by business itself. The improvement, cumulative, has fed upon itself. Not only has consumer buying held up but business also has begun again to expand its inventories and has revised upwards its spending on new plant and equipment both because profits have been high and demand strong. In turn, renewed activity in steel, construction, machinery have helped to expand employment, payrolls, and consumer buying.

All this has built up confidence

in business prospects for the second half of the year. The boom is expected to keep rolling for perhaps another six months if for no other reason than its own sheer momentum.

Meanwhile, signs of strain and pressure have newly appeared in the form of a broadening price advance which, while smaller than the inflationary proportions of the rise in 1946-1948, nonetheless begins to threaten the foundations of the prosperity in consumer buying. Mounting costs of home building and home furnishings in particular may cut the ground under housing demand.

Thus the factors that concern the business observers may appear as early as the beginning of 1951. Buying of autos may let down simultaneously with homebuilding, as backlogs of demand held over from the war years are rapidly being eaten away by high output. Then buying for inventory would give way to inventory retrenchment if sales weakened. Stimulus of the veterans' insurance dividend will meanwhile have played itself out over the next several months. And plant capacity will have expanded further and productivity will have advanced, displacing more jobs.

## SERIOUS RECESSION

Should the "more serious" recession which thus threatens appear in 1951, the problems cited by Murray would become serious—five years earlier than forecast. The recession of 1949 brought unemployment up to four million. Meanwhile, the factors summarized by the Federal Reserve Board would by 1951 have operated to increase it by another three or four million.

So a serious business dip next year could readily increase unemployment well beyond seven millions—though it might not approach Murray's "riots and bloodshed" proportions.

Perhaps the single main factor which might stand in the way of such a recession would be the increased armament costs arising from the cold war. However, the defense budgets now planned or even contemplated would act only as a cushion against a business letdown. Only a sharp step up in defense preparations—as in 1940-1941—could insure sustained employment.

## LABOR PROBLEMS

In the face of these potential problems, labor leaders already are toying with proposals that go far beyond the Fair Deal programs which the Democratic Congress has so blithely ignored. Reduction of the work-week as a way to spread jobs—if unemployment threatens—is one such labor proposal. That a cut in the work-week would still beg the question of using idle industrial capacity is less important than the fact that labor's thinking is already going beyond the Fair Deal program.

Hence labor's dissatisfaction with the two-party system is beginning to be felt, not only by the Democrats' inaction but increasingly at their inadequacy as well. This is perhaps the strongest spur today behind the movement towards AFL-CIO unity.

In short, the tendencies towards crisis inherent in capitalism are working their effects on the political programs of the labor movement, whether or not those tendencies are realized actually or immediately in a recession. And that trend in labor is strengthened as the obvious props to the early postwar boom begin to weaken and the fear of a really serious recession grows.

And it is that perspective—rather than the temporary boom of today—that guides American Socialism in its new and reinvigorated tasks following the convention.

## Business Magazine Data Is Argument For Higher Wages

Washington (LPA)—The biggest argument yet for higher wages has been provided by Business Week, a magazine that certainly is not partial to labor. It is a report that productivity of labor is rising "spectacularly," and is the cause of the growing unemployment.

To back up its report that productivity is rising "spectacularly," Business Week notes that the output of goods in 1949 was about the same as in 1948, but was accomplished with three per cent less workers. It confirms this overall study by a check of individual plants.

One midwestern manufacturer reports that output per man has gained 15 to 20 per cent in the past year. Another ended 1949 with employment 1600 under 1948 and sales volume \$10 million higher—about a 10 per cent shift each way.

Even in agriculture, the magazine reports, the increase in productivity is "striking." Since 1947 employment on farms has been dropping, but production is as high as ever.

## "The Death March"



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